

- \$8,000 Tax Credit for First Time Homebuyers, \$6,500 for Current Homeowners Purchasing New Homes -

Monroe, NY – U.S. Rep. John Hall (D-Dover) stood with Orange County realtors and a family who will benefit from both an \$8,000 and a \$6,500 homebuyer tax to detail how an expanded and extended Homebuyers' Tax Credit enacted by Congress will help new and current homeowners in Orange County and stimulate the local economy.

"The tax incentive for first-time homebuyers has been extremely successful and made progress toward our economy recovering from the worst recession in generations," said Congressman Hall. "Since this tax credit enacted by Congress was expanded in February, we have seen house sales rise and some glimpses of price stabilization. While there are some positive signs for the housing market, it still remains extremely fragile. An extension of the housing tax credit will maximize its impact for middleclass homebuyers and the housing market as we work to strengthen our economy."

Legislation, passed by Congress earlier this month and signed into law with Rep. Hall's active support, extends the \$8,000 first-time homebuyer tax credit through April 30, 2010 and provides a new \$6,500 credit for current homeowners who have lived in their current residence for at least five consecutive years out of the last eight years and are buying a new home. Since the Homebuyer's Tax Credit was created, over 50,000 New Yorkers have taken advantage of the program to purchase their first homes. Orange County has seen a 14.9 percent increase in home sales from last fall.

Current homeowners George and Tanina Whalen will be receiving a \$6,500 tax credit that will allow them to purchase a new home for the first time in years. Their son, Michael Brennan will benefit from an \$8,000 tax credit to help him purchase his first home.

The \$8000 credit was scheduled to expire on November 30, leaving those homebuyers currently in the process of purchasing their homes in a lurch. More information about the tax credit can be found at: <http://www.federalhousingtaxcredit.com> . The legislation also helps military families struggling to make mortgage payments by making those payments tax-exempt. Congressman Hall has been pushing to extend the homebuyer tax credit until 2011. He is a cosponsor of the First-Time Homebuyer Credit Extension Act (H.R. 1993), legislation to extend the tax credit through 2010 and he also sent a bipartisan letter to Congressional leadership asking for quick action to address the situation. He will keep fighting to have the tax break extended through the end of 2010.

The extension and expansion of the Homebuyers' Tax Credit was included in the Emergency Unemployment Compensation Extension Act which also gave New Yorkers an additional 20 weeks of emergency unemployment compensation. The extension is fully paid for and will provide immediate, effective stimulus to the local economy. The Congressional Budget Office has cited unemployment benefits as one of the most cost-effective forms of economic stimulus, and every dollar spent on unemployment benefits generates \$1.63 in new demand, according to Moody's chief economist Mark Zandi.

"This is another crucial step to stimulate the Hudson Valley's economy and provide immediate

relief to struggling New Yorkers who have lost, or are on the verge of losing, their unemployment benefits and get our economy moving in the right direction," said Congressman Hall.

"The families who receive these benefits will be putting money right back into our local economy – buying groceries, filling their cars with gas, and making their mortgage payments on time."

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